

AMENDED IN ASSEMBLY MAY 11, 2009

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 907

Introduced by Assembly Member Chesbro

February 26, 2009

An act to amend Sections 48100, 48623, 48631, 48632, 48645, 48650, 48651, 48652, 48653, 48656, 48660, 48660.5, 48662, 48670, 48673, 48674, 48690, and 48691 of, to add Sections 48620.2 and 48651.5 to, and to repeal Sections 48633 and 48634 of, the Public Resources Code, relating to oil, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, as amended, Chesbro. California Oil Recycling Enhancement Act: rerefined oil.

(1) The California Oil Recycling Enhancement Act, administered by the California Integrated Waste Management Board, among other things, defines terms and establishes the used oil recycling program, consisting of a recycling incentive system, grants or loans to local governments and nonprofit entities for specified purposes related to used lubricating oil collection and recycling and stormwater pollution from used oil and oil byproducts, development and implementation of an information and education program to promote alternatives to the illegal disposal of used oil, and a reporting, monitoring, and enforcement program to ensure that laws relating to used oil are properly carried out. A violation of the act is a crime.

This bill would define the term “rerefined oil” and revise the definition of “used oil hauler” for purposes of the act, and would revise and recast the used oil recycling program, so that, among other things, it would no longer provide for loans, and it would provide for the development and implementation of an information and education program to promote methods to reduce the amounts of used oil generated and to promote the use of rerefined oil in automotive and industrial lubricants. The bill would revise the purposes for which grants under the program may be made and would authorize grants additionally to be made to private entities.

(2) The act generally requires every oil manufacturer to pay to the board an amount equal to \$0.04 for every quart, or \$0.16 for every gallon, of lubricating oil sold or transferred in the state, or imported into the state for use in the state.

This bill would increase those amounts to \$0.06 per quart and \$0.24 per gallon, would authorize the board to adjust the fee annually, as specified, and would exempt from the payment of the fee oil sold as finished lubricant containing 100% rerefined base lubricant.

(3) The act requires the board to pay a recycling incentive to every industrial generator, curbside collection program, and certified used oil collection center, for used lubricating oil if certain conditions apply, and to an electric utility, as defined, for certain used lubricating oil. Existing law requires the board to set the recycling incentive amount at not less than \$0.04 per quart, and authorizes the board to set the amount at a higher amount if the board determines that a higher amount is necessary to promote recycling of used lubricating oil and sufficient funds are available in the California Used Oil Recycling Fund.

This bill would revise the conditions applicable to used lubricating oil that must be met before the board is required to pay the recycling incentive, and would delete the requirement that the board pay the recycling incentive to an electric utility for certain used lubricating oil.

The bill additionally would require the board to pay a rerefining incentive to certain recycling facilities that produce rerefined base lubricant meeting specified requirements. The bill would require the board, on or before January 1, 2012, to consider whether to implement additional incentives that prioritize the highest and most beneficial uses of used lubricating oil.

The bill would require the board to increase the recycling incentive to not less than \$0.10 per quart and to set the rerefining incentive at not less than \$0.02 per quart, and would authorize the board to increase

those amounts if it determines that a higher amount is necessary to promote the collection and recycling of used lubricating oil or the rerefining of used lubricating oil, as applicable, and sufficient funds are available in the California Used Oil Recycling Fund.

(4) The act requires the board to deposit the charges described in (2) above, civil penalties and fines paid pursuant to the act, and all other revenues received pursuant to the act, in the California Used Oil Recycling Fund, part of which is continuously appropriated to the board to pay recycling incentives, to provide a reserve for contingencies, to make specified payments for implementation of certain local used oil collection programs in a total amount equal to \$10,000,000 or one-half the amount remaining in the fund after specified expenditures are made, for certain grants and loans, and for reimbursement for certain disposal costs of contaminated used oil. The act authorizes money in the fund, upon appropriation by the Legislature, among other things, to be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, to pay costs associated with implementing and operating the farm and ranch solid waste cleanup and abatement grant program.

This bill would increase the amount available for payments for implementation of local used oil collection programs to \$13,000,000, thereby making an appropriation. The bill would prohibit money in the California Used Oil Recycling Fund attributable to increasing or adjusting the charge on oil manufacturers described in (2) above from being transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(5) The act prohibits a used oil collection center from being eligible for the payment of recycling incentives until the board has certified the center. Certification eligibility includes compliance with public notice and operational requirements. The act requires a center to reapply for certification every 2 years.

This bill instead would require a center to reapply for certification every 4 years and would revise the certification eligibility requirements.

(6) Under the act, if the board finds that a shipment of used oil from a certified used oil collection center or a curbside collection program is contaminated by hazardous material and other specified requirements are met, the board, upon application of the center or program, is required to reimburse the center or program for the additional disposal cost of the used oil, subject to eligibility requirements and payment limitations.

This bill would include uncertified publicly funded used oil collection centers in small rural counties in those entities eligible to receive that reimbursement, and would modify the eligibility requirements and payment limitations.

(7) The act imposes certification requirements for used oil recycling facilities.

This bill also would impose certification requirements on rerefiners of used oil. The bill would require certain out-of-state recycling facilities to make specified certifications of compliance with certain federal and state laws, thereby imposing a state-mandated local program, by creating a new crime.

(8) The act imposes reporting requirements on industrial generators of used lubricating oil, used oil collection centers, and curbside collection programs, to be eligible for payment of a recycling incentive.

This bill would revise those reporting requirements.

(9) This bill would make other related changes to the act.

(10) Because a violation of the act is a crime, the bill would impose a state-mandated local program by, among other things, bringing rerefiners of used lubricating oil within the ambit of the act.

(11) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 48100 of the Public Resources Code is
2 amended to read:

3 48100. (a) The Legislature hereby finds and declares that
4 illegal disposal of solid waste on property owned by innocent
5 parties is a longstanding problem needing attention and that grants
6 provided under this chapter will support the cleanup of farm and
7 ranch property.

8 (b) The board shall establish a farm and ranch solid waste
9 cleanup and abatement grant program for the purposes of cleaning
10 up and abating the effects of illegally disposed solid waste pursuant
11 to this chapter.

(c) (1) The Farm and Ranch Solid Waste Cleanup and Abatement Account is hereby created in the General Fund and may be expended by the board, upon appropriation by the Legislature in the annual Budget Act, for the purposes of this chapter.

(2) The following funds shall be deposited into the account:

(A) Money appropriated by the Legislature from the Integrated Waste Management Fund or the California Used Oil Recycling Fund to the board for the grant program, or from the California Tire Recycling Management Fund to the board for the purposes set forth in *paragraph (10) of subdivision-(j) (b)* of Section 42889.

(B) Notwithstanding Section 16475 of the Government Code, any interest earned on the money in the account.

(3) The board may expend the money in the account for both of the following purposes:

(A) To pay the costs of implementing this chapter, which costs shall not exceed 7 percent of the funds available for the grant program.

(B) To make payments for grants authorized by this chapter.

(4) Upon authorization by the Legislature in the annual Budget Act, the sum of all funds transferred into the account from other funds or accounts shall not exceed one million dollars (\$1,000,000) annually.

~~(5) Notwithstanding~~ *Except as provided in paragraph (2) of subdivision (c) of Section 48653 and notwithstanding any other provision of law, the grant program shall be funded from the following funds:*

(A) The Integrated Waste Management Fund.

(B) The California Tire Recycling Management Fund, for the purposes set forth in *paragraph (10) of subdivision-(j) (b)* of Section 42889.

(C) The California Used Oil Recycling Fund.

(d) For purposes of this chapter, the following definitions shall apply:

(1) “Native American tribe” has the same meaning as tribe, as defined in subdivision (b) of Section 44201.

(2) “Public entity” means a city, county, or resource conservation district.

1 ~~SECTION 1.~~

2 ~~SEC. 2.~~ Section 48620.2 is added to the Public Resources Code,
3 to read:

4 48620.2. “Rerefined oil” means a lubricant base stock or oil
5 base that has been derived from used oil and meets all the following
6 criteria:

7 (a) Processed using a series of mechanical or chemical methods,
8 or both, including, but not limited to, vacuum distillation, followed
9 by solvent refining or hydrotreating.

10 (b) Capable of meeting the Physical and Compositional
11 Properties, in addition to the Contaminants and Toxicological
12 Properties, as defined under the American Society for Testing and
13 Materials (ASTM) D6074-99 standard.

14 (c) Processed into a material that has a quality level suitable for
15 use in a finished lubricant.

16 ~~SEC. 2.~~

17 ~~SEC. 3.~~ Section 48623 of the Public Resources Code is
18 amended to read:

19 48623. “Used oil hauler” means a hazardous waste hauler
20 registered pursuant to Chapter 6.5 (commencing with Section
21 25100) of Division 20 of the Health and Safety Code who
22 transports used oil to a used oil recycling facility certified pursuant
23 to Article 7 (commencing with Section 48660), to a used oil storage
24 facility, to a used oil transfer facility, or to an out-of-state recycling
25 facility registered with the board to be operating in substantial
26 compliance with Part 279 (commencing with Section 279.1) of
27 Title 40 of the Code of Federal Regulations.

28 ~~SEC. 3.~~

29 ~~SEC. 4.~~ Section 48631 of the Public Resources Code is
30 amended to read:

31 48631. The used oil recycling program shall include, but is not
32 limited to, all of the following:

33 (a) A recycling incentive system as described in Article 6
34 (commencing with Section 48650).

35 (b) Public and private, including, but not limited to, grants and
36 contracts, between the board and local governments, nonprofit
37 entities, and private entities for the purposes specified in Section
38 48632.

39 (c) Development and implementation of an information and
40 education program to promote safe and proper used oil collection

1 and treatment methods, methods to reduce used oil generation,
2 and advances in new and existing technologies, including, but not
3 limited to, use of rerefined oil in automotive and industrial
4 lubricants.

5 (d) A reporting, monitoring, and enforcement program to ensure
6 that all statutes and regulations relating to used oil are properly
7 carried out.

8 ~~SEC. 4.~~

9 *SEC. 5.* Section 48632 of the Public Resources Code is
10 amended to read:

11 48632. The board may, pursuant to subdivision (b) of Section
12 48631, issue grants to or contract with local governments, nonprofit
13 entities, and private entities, for any of the following purposes:

14 (a) Providing and maintaining collection and recycling
15 opportunities for used lubricating oil and filters that are in addition
16 to those included in the local used oil collection programs adopted
17 pursuant to Article 10 (commencing with Section 48690).

18 (b) Research, testing, and demonstration projects for in-service
19 uses, collection technologies, and end-of-life used oil management.

20 (c) Developing uses and markets for low environmental impact
21 products resulting from the recycling of used oil, including, but
22 not limited to, promoting the manufacture of rerefined lubricating
23 oil.

24 (d) Product advancements and developments in lubricating oil
25 resulting from, but not limited to, new requirements or technologies
26 in fuel efficiency and performance, synthetic or biobased lubricants,
27 alternative fuels, and methods to extend lubricating oil life.

28 (e) Education and mitigation projects relating to stormwater
29 pollution and its impacts on receiving waters, soils, and oceans.

30 (f) A local government shall not receive a grant or contract
31 pursuant to this section for any purpose identified in subdivision
32 (e) unless the local government certifies that it has a stormwater
33 management program that is approved by the appropriate California
34 regional water quality control board and that the project approved
35 for funding under subdivision (e) is consistent with that approved
36 stormwater management program.

37 (g) An information and education program pursuant to
38 subdivision (c) of Section 48631.

1 ~~SEC. 5.~~

2 ~~SEC. 6.~~ Section 48633 of the Public Resources Code is
3 repealed.

4 ~~SEC. 6.~~

5 ~~SEC. 7.~~ Section 48634 of the Public Resources Code is
6 repealed.

7 ~~SEC. 7.~~

8 ~~SEC. 8.~~ Section 48645 of the Public Resources Code is
9 amended to read:

10 48645. Except for payments made to local governments
11 pursuant to paragraph (3) of subdivision (a) of Section 48653, final
12 approval of applicant and project eligibility standards, scoring and
13 evaluation processes, and awarding of grants under this chapter
14 shall be made in a public meeting of, and pursuant to a vote of,
15 the board.

16 ~~SEC. 8.~~

17 ~~SEC. 9.~~ Section 48650 of the Public Resources Code is
18 amended to read:

19 48650. (a) Every oil manufacturer shall pay to the board, on
20 or before the last day of the month following each quarter, an
21 amount equal to six cents (\$0.06) for every quart, or twenty-four
22 cents (\$0.24) for every gallon, of lubricating oil sold or transferred
23 in the state, or imported into the state for use in the state in that
24 quarter. For lubricating oil sold by weight, a weight to volume
25 conversion factor of 7.5 pounds per gallon shall be used to
26 determine the fee. The board may adjust the fee not more than
27 once annually to reflect increases or decreases in the cost-of-living
28 index during the prior fiscal year as measured by the California
29 Consumer Price Index issued by the Department of Industrial
30 Relations or a successor agency. Except as provided in subdivision
31 (b), no payment is required for oil that meets any of the following:

32 (1) Oil for which a payment has already been made to the board
33 pursuant to this section.

34 (2) Oil exported or sold for export from the state.

35 (3) Oil sold for use in vessels operated in interstate or foreign
36 commerce.

37 (4) Oil imported into the state in the engine crankcase,
38 transmission, gear box, or differential of an automobile, bus, truck,
39 vessel, plane, train, or heavy equipment or machinery.

1 (5) Bulk oil imported into, transferred in, or sold in the state to
2 a motor carrier, as defined in Section 408 of the Vehicle Code,
3 and used in a vehicle designated in subdivisions (a) and (b) of
4 Section 34500 of the Vehicle Code.

5 (6) The oil otherwise subject to payment pursuant to this
6 subdivision has a volume of five gallons or less.

7 (7) Oil sold as a finished lubricant containing 100 percent
8 rerefined base lubricant.

9 (b) If oil exempted from payment pursuant to subdivision (a)
10 is subsequently sold or transferred for use, or is used, in this state,
11 and the use does not qualify for exemption pursuant to subdivision
12 (a), the entity that sells, transfers, or uses the oil for a purpose that
13 is not exempt from payment, shall make the payment specified in
14 subdivision (a).

15 ~~SEC. 9.~~

16 *SEC. 10.* Section 48651 of the Public Resources Code is
17 amended to read:

18 48651. (a) The board shall pay a recycling incentive pursuant
19 to subdivision (a) of Section 48652 to every industrial generator,
20 curbside collection program, and certified used oil collection center,
21 for used lubricating oil collected from the public or generated by
22 the industrial generator, if either of the following conditions apply:

23 (1) The used lubricating oil is transported by a used oil hauler
24 to a used oil storage facility or to a used oil transfer facility.

25 (2) The used lubricating oil is transported by a used oil hauler
26 directly to an in-state used oil recycling facility that is certified
27 pursuant to subdivision (a) of Section 48662, or to an out-of-state
28 used oil recycling facility registered pursuant to subdivision (b)
29 of Section 48662 or certified pursuant to subdivision (c) of Section
30 48662.

31 (b) A used oil storage facility or a used oil transfer facility that
32 accepts used oil pursuant to paragraph (1) of subdivision (a) shall
33 cause that oil to be transported by a used oil hauler to a used oil
34 recycling facility certified pursuant to subdivision (a) of Section
35 48662 or to an out-of-state used oil recycling facility registered
36 pursuant to subdivision (b) of Section 48662 or certified pursuant
37 to subdivision (c) of Section 48662.

38 ~~SEC. 10.~~

39 *SEC. 11.* Section 48651.5 is added to the Public Resources
40 Code, to read:

1 48651.5. (a) The board, with regard to promoting the recycling
2 of used lubricating oil into rerefined oil, shall pay a rerefining
3 incentive pursuant to subdivision (b) of Section 48652 if all of the
4 following conditions are met:

5 (1) The facility is an in-state or out-of-state recycling facility
6 that is certified in accordance with subdivision (c) of Section 48662
7 and produces rerefined base lubricant meeting the specifications
8 of rerefined oil as defined in Section 48620.2.

9 (2) The used oil was generated and collected within the state
10 and prior to treatment or processing has been tested to meet the
11 definition of used oil as specified in paragraph (1) of subdivision
12 (a) of Section 25250.1 of the Health and Safety Code.

13 (3) The facility submits to the board a completed used oil
14 rerefining incentive payment claim in the form and manner that
15 the board may prescribe.

16 (b) To further promote the safe management of used oil, the
17 board, using existing financial resources, shall identify and evaluate
18 the most environmentally beneficial uses of used lubricating oil.
19 On or before January 1, 2012, the board shall consider whether to
20 implement additional incentives pursuant to this section that
21 prioritize the highest and most beneficial uses of used lubricating
22 oil.

23 ~~SEC. 11.~~

24 *SEC. 12.* Section 48652 of the Public Resources Code is
25 amended to read:

26 48652. (a) The board shall set the recycling incentive at not
27 less than ten cents (\$0.10) per quart. The board may set the amount
28 at an amount higher than ten cents (\$0.10) if the board determines
29 that a higher amount is necessary to promote the collection and
30 recycling of used lubricating oil and sufficient funds are available
31 in the fund.

32 (b) The board shall set the rerefining incentive at not less than
33 two cents (\$0.02) per quart. The board may set the amount at an
34 amount higher than two cents (\$0.02) per quart if the board
35 determines that a higher amount is necessary to promote rerefining
36 of used lubricating oil and sufficient funds are available in the
37 fund.

38 (c) The board shall not change the amount of an incentive paid
39 pursuant to this section until at least one year has passed since the
40 amount was last set. The amount of an incentive paid by the board

1 shall remain at the previous amount for one month after setting
2 the incentive at a different amount. The board shall not raise the
3 amount of an incentive paid or implement other incentive options
4 pursuant to subdivision (b) of Section 48651.5 unless it finds that
5 the raise will not adversely affect funding required pursuant to
6 Sections 48631, 48653, and 48660.5.

7 ~~SEC. 12.~~

8 *SEC. 13.* Section 48653 of the Public Resources Code is
9 amended to read:

10 48653. The board shall deposit all amounts paid pursuant to
11 Section 48650 by manufacturers, civil penalties, and fines paid
12 pursuant to this chapter, and all other revenues received pursuant
13 to this chapter into the California Used Oil Recycling Fund, which
14 is hereby created in the State Treasury. Notwithstanding Section
15 13340 of the Government Code, the money in the fund is to be
16 appropriated solely as follows:

17 (a) Continuously appropriated to the board for expenditure for
18 the following purposes:

- 19 (1) To pay recycling incentives pursuant to Section 48651.
20 (2) To provide a reserve for contingencies, as may be available
21 after making other payments required by this section, in an amount
22 not to exceed one million dollars (\$1,000,000).
23 (3) To make payments for the implementation of local used oil
24 collection programs adopted pursuant to Article 10 (commencing
25 with Section 48690) to cities, based on the city's population, and
26 counties, based on the population of the unincorporated area of
27 the county. Notwithstanding subdivision (b) of Section 48656, the
28 total annual amount shall equal thirteen million dollars
29 (\$13,000,000), except that the board may issue the payments as
30 follows, if sufficient funds are not available in the fund:

31 (A) (i) One-half of the amount that remains in the fund after
32 the expenditures are made pursuant to paragraphs (1) and (2) and
33 subdivision (b).

34 (ii) The board may utilize additional amounts from the fund up
35 to, but not exceeding, thirteen million dollars (\$13,000,000).

36 (B) Pursuant to paragraph (2) of subdivision (d) of Section
37 48691, it is the intent of this paragraph that at least three million
38 dollars (\$3,000,000) be made available specifically for used oil
39 filter collection and recycling programs.

(C) Payments shall be determined by multiplying the total annual amount by the fraction equal to the population of cities and counties that are eligible for payments pursuant to Section 48690, divided by the population of the state. The board shall use the latest population estimates of the state generated by the Population Research Unit of the Department of Finance in making the calculations required by this paragraph.

(4) To implement Section 48660.5, in an amount not to exceed two hundred thousand dollars (\$200,000) annually.

(5) For expenditures pursuant to Section 48656.

(b) The money in the fund may be expended by the board for the administration of this chapter and by the department for inspections and reports pursuant to Section 48661, only upon appropriation by the Legislature in the annual Budget Act.

(c) (1) Except as provided in paragraph (2), the money in the fund may be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account in the General Fund, upon appropriation by the Legislature in the annual Budget Act, to pay the costs associated with implementing and operating the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program established pursuant to Chapter 2.5 (commencing with Section 48100).

(2) The money in the fund attributable to a charge increase or adjustment made or authorized in an amendment to subdivision (a) of Section 48650 by the measure adding this paragraph shall not be transferred to the Farm and Ranch Solid Waste Cleanup and Abatement Account.

(d) Appropriations to the board to pay the costs necessary to administer this chapter shall not exceed three million dollars (\$3,000,000) annually.

(e) The Legislature hereby finds and declares its intent that three hundred fifty thousand dollars (\$350,000) should be annually appropriated from the California Used Oil Recycling Fund in the annual Budget Act to the board, commencing with fiscal year 2010–11, for the purposes of Section 48655 and to conduct those investigations and enforcement actions necessary to implement subdivision (b) of Section 48651.

~~SEC. 13.~~

SEC. 14. Section 48656 of the Public Resources Code is amended to read:

1 48656. After all of the expenditures pursuant to Section 48653
2 have been made, notwithstanding paragraph (5) of subdivision (a)
3 of Section 48653, the balance remaining in the fund shall be
4 available to the board for the following purposes:

5 (a) The implementation of subdivisions (b) and (c) of Section
6 48631 and Section 48651.5, subject to both of the following
7 requirements:

8 (1) The allocation of funds to implement subdivisions (b) and
9 (c) of Section 48631 shall be at the discretion of the board to be
10 determined annually in a public meeting and pursuant to a vote of
11 the board.

12 (2) The board shall pay rerefining incentives pursuant to Section
13 48651.5 provided sufficient funds are available in the fund.

14 (b) Annual revenues left unspent in excess of one million dollars
15 (\$1,000,000) shall be allocated pursuant to paragraph (3) of
16 subdivision (a) of Section 48653 for local collection programs
17 adopted pursuant to Article 10 (commencing with Section 48690).

18 ~~SEC. 14.~~

19 *SEC. 15.* Section 48660 of the Public Resources Code is
20 amended to read:

21 48660. (a) No used oil collection center shall be eligible for
22 the payment of recycling incentives until the board has certified
23 that the center is in compliance with the requirements in
24 subdivision (b). Before certification, the board may require the
25 center to submit any information that the board determines is
26 necessary to find that the center is in compliance with those
27 requirements. A center shall reapply for certification every four
28 years. The board may cancel the certification of a center if the
29 board finds that the center is not, or has not been, in compliance
30 with subdivision (b). The board may withhold the payment of
31 recycling incentives for used lubricating oil collected by a center
32 if the board finds that the center was not in compliance with
33 subdivision (b) during the time in which the used lubricating oil
34 was collected.

35 (b) To be eligible for certification by the board and for the
36 payment of recycling incentives, the used oil collection center shall
37 do all of the following:

38 (1) Accept used lubricating oil from the public at no charge
39 during the hours that the entity operating as the center is open for
40 business.

(2) Pay to a person, at his or her request, an amount equal to the recycling incentive that the center will receive for used lubricating oil brought to the center in containers by the person. Nothing in this chapter prohibits a person from donating used lubricating oil to a center. The recycling incentive may be in the form of a credit that may be applied toward the purchase of goods or services offered by the center, as determined by the board. The credit shall be in the form of a voucher or coupon with a value of at least twice the incentive amount to be paid pursuant to Section 48652 and have no other limits for use, unless prescribed by the board.

(3) Provide information to the board for informing the public of the center's acceptance of used lubricating oil.

(4) Provide notice to the public of the center's acceptance of used lubricating oil from the public through periodic advertising in local media and onsite signs that meet the following requirements:

(A) Onsite signs shall be of a design and specification prescribed by the board and shall state that the center is certified by the state and collects used oil from the public at no charge.

(B) A certified center shall post an exterior sign of a design and specification prescribed by the board in a location that is easily visible from a public street. In addition, the certified center shall post an informational sign of a design and specification prescribed by the board so that it is easily readable from the location where the used oil is received from the public.

(C) If local zoning ordinances prevent signs of a size consistent with this paragraph, the exterior symbolic sign shall be of the maximum allowable size.

(c) Notwithstanding subdivision (b), a used oil collection center may refuse to accept used lubricating oil that has been contaminated in a manner other than that which would occur through normal use.

(d) Notwithstanding subdivision (b), a used oil collection center shall not knowingly accept used lubricating oil for which a payment has not been made pursuant to Section 48650.

~~SEC. 15.~~

SEC. 16. Section 48660.5 of the Public Resources Code is amended to read:

1 48660.5. (a) If the board finds that a shipment of used oil from
2 a certified used oil collection center, curbside collection program,
3 or an uncertified publicly funded used oil collection center in a
4 small rural county is contaminated by hazardous materials in excess
5 of that which generally occurs in normal use, which renders the
6 used oil infeasible for recycling, and requires that the used oil be
7 destroyed at a substantially higher cost than the cost generally to
8 recycle used oil, the board shall, upon application by the used oil
9 collection center or curbside collection program, reimburse the
10 center or program for the additional disposal cost, subject to the
11 eligibility requirements of subdivision (b), except as provided in
12 subdivision (c).

13 (b) A certified used oil collection center, curbside collection
14 program, or an uncertified publicly funded used oil collection
15 center in a small rural county is eligible for reimbursement only
16 if it demonstrates to the satisfaction of the board all of the
17 following, except that paragraph (1) does not apply to a publicly
18 funded used oil collection center in a small rural county:

19 (1) The center or program has established procedures to ensure
20 that the used oil it generates and accepts from the public will not
21 be mixed with other hazardous wastes, especially
22 halogen-contaminated and polychlorinated biphenyl-contaminated
23 wastes. These procedures shall include, but not be limited to,
24 instructing the public and employees that used oil shall not be
25 mixed with other hazardous waste. The board shall not require a
26 center or program to test used oil received from the public as part
27 of these procedures.

28 (2) The shipment contains not more than five gallons or pounds
29 of contaminants combined, based on the contaminant
30 concentrations and the total volume or weight of the shipment.

31 (c) In a calendar year, a used oil collection center, curbside
32 collection program, or uncertified publicly funded used oil
33 collection center in a small rural county shall be reimbursed for
34 not more than one shipment and for not more than five thousand
35 dollars (\$5,000) in disposal costs, for halogen-contaminated waste
36 or not more than the actual net additional costs of disposing of
37 polychlorinated biphenyl-contaminated wastes, subject to the
38 availability of funds pursuant to Section 48656.

1 ~~SEC. 16.~~

2 *SEC. 17.* Section 48662 of the Public Resources Code is
3 amended to read:

4 48662. (a) The board shall certify or recertify any used oil
5 recycling facility located in this state for which the board has
6 received a report from the department pursuant to Section 48661,
7 unless the board determines that the facility is engaged in a
8 repeating or recurring pattern of noncompliance that poses a
9 significant threat to public health and safety or the environment.

10 (b) Except as provided in paragraph (2) of subdivision (c), the
11 board shall require an out-of-state recycling facility, that receives
12 used oil from a California generator to which a recycling incentive
13 may be paid, to register with the board, declaring, under penalty
14 of perjury, that the facility is operating in substantial compliance
15 with Part 279 (commencing with Section 279.1) of Title 40 of the
16 Code of Federal Regulations.

17 (c) The board shall certify or recertify a rerefiner of used oil for
18 which the board has received a report from the department that
19 the facility meets either of the following requirements:

20 (1) The used oil recycling facility located in this state is certified
21 pursuant to subdivision (a) and produces rerefined base lubricant
22 meeting the specifications as defined in Section 48620.2.

23 (2) The used oil recycling facility is an out-of-state facility that
24 has demonstrated to the satisfaction of the department all of the
25 following:

26 (A) The facility substantially meets the requirements in Part
27 279 (commencing with Section 279.1) of Title 40 of the Code of
28 Federal Regulations.

29 (B) The facility produces rerefined base lubricant meeting the
30 specifications as defined in Section 48620.2.

31 (C) The facility meets California standards for used oil handling,
32 waste classification, and disposal specified in Section ____ of the
33 Health and Safety Code.

34 (d) An out-of-state facility that seeks certification shall annually
35 certify in writing to the board, under penalty of perjury, that the
36 facility substantially meets the requirements in paragraph (2) of
37 subdivision (c).

38 (e) Paragraph (2) of subdivision (c) does not require the
39 department to inspect or prohibit the department from inspecting
40 an out-of-state facility to determine whether the department is

1 satisfied that the facility substantially meets the requirements for
2 certification.

3 (f) As a condition of demonstrating compliance pursuant to
4 paragraph (2) of subdivision (c), a facility shall enter into an
5 agreement with the department pursuant to Section 25201.9 of the
6 Health and Safety Code to pay the department's full expenses of
7 conducting the review and any inspection costs the department
8 may incur in determining whether the facility meets the
9 requirements for certification.

10 (g) If the board denies certification to a facility subject to
11 subdivision (a) or (c), the board may subsequently certify the
12 facility if it determines that the facility meets the standards for
13 certification.

14 ~~SEC. 17:~~

15 *SEC. 18.* Section 48670 of the Public Resources Code is
16 amended to read:

17 48670. (a) To be eligible for payment of a recycling incentive,
18 an industrial generator of used lubricating oil, a used oil collection
19 center, or a curbside collection program shall report to the board,
20 for each quarter, based on the following reporting limitations and
21 requirements:

22 (1) The amount of lubricating oil purchased and the amount of
23 used lubricating oil that is transported to a certified used oil
24 recycling facility, to a used oil storage facility or to a used oil
25 transfer facility, or that is transported to an out-of-state recycling
26 facility registered with the board to be operating in substantial
27 compliance with Part 279 (commencing with Section 279.1) of
28 Title 40 of the Code of Federal Regulations.

29 (2) The amount of used lubricating oil collected from the public,
30 for use in determining the recycling incentive payment, that is
31 transported to a certified used oil recycling facility, to a used oil
32 storage facility, or to a used oil transfer facility, or that is
33 transported to an out-of-state recycling facility registered with the
34 board to be operating in substantial compliance with Part 279
35 (commencing with Section 279.1) of Title 40 of the Code of
36 Federal Regulations. However, a certified collection center with
37 service bays located in a small rural county shall be eligible for a
38 recycling incentive based on 60 percent of the total oil recycled
39 by collecting used oil from the public and servicing motor vehicles.
40 If the center documents, in the form prescribed by the board, that

1 the portion that resulted from public collection exceeds 60 percent
2 of the total oil recycled, the center shall be eligible for the incentive
3 payment based on the actual amount of used oil accepted from the
4 public and recycled.

5 (b) The reports shall be submitted on or before the 45th day
6 following each quarter, in the form and manner that the board may
7 prescribe, and shall include copies of manifests or modified
8 manifest receipts from used oil haulers.

9 (c) The board may delegate to the executive officer of the board
10 the authority to accept reports submitted after the 45th day and to
11 reduce, eliminate, or approve the amount of incentive fee to be
12 paid due to the late submission of the report. The board may
13 provide, by regulation, for a longer reporting period for industrial
14 generators that generate less than 1,000 gallons of used oil
15 annually.

16 ~~SEC. 18.~~

17 *SEC. 19.* Section 48673 of the Public Resources Code is
18 amended to read:

19 48673. (a) A used oil recycling facility issued a permit by the
20 department to produce recycled oil, as defined in Section 25250.1
21 of the Health and Safety Code, and an out-of-state recycling facility
22 that is either registered with the board pursuant to subdivision (b)
23 of Section 48662 or certified by the board pursuant to subdivision
24 (c) of Section 48662, shall report to the board for each quarter the
25 amount of California used oil received and the resultant amount
26 of recycled oil produced.

27 (b) A facility subject to this section shall provide estimates,
28 where feasible, of the amount that is used lubricating oil and the
29 amount that is used industrial oil.

30 (c) The reports required by this section shall be submitted on
31 or before the last day of the month following each quarter, in the
32 form and manner that the board may prescribe.

33 ~~SEC. 19.~~

34 *SEC. 20.* Section 48674 of the Public Resources Code is
35 amended to read:

36 48674. After receiving payments pursuant to paragraph (3) of
37 subdivision (a) of Section 48653, each local government shall
38 submit a report to the board, in the manner specified by the board,
39 that includes any amendments to the local used oil collection
40 program adopted pursuant to Section 48690, a description of all

1 measures taken to implement the program, and a description of
2 how payments were expended.

3 ~~SEC. 20.~~

4 *SEC. 21.* Section 48690 of the Public Resources Code is
5 amended to read:

6 48690. A local government is eligible for a payment pursuant
7 to paragraph (3) of subdivision (a) of Section 48653, if it develops
8 and submits a local used oil collection program to the board
9 pursuant to Section 48691 and files a report pursuant to Section
10 48674. The board shall make a payment to every local government
11 that submits a program and files a report unless the board finds
12 that the program or its implementation does not comply with
13 criteria contained in this article. The board may make a payment
14 to another entity that will implement the program of a local
15 government in lieu of making a payment to that local government
16 with the concurrence of that local government. A payment issued
17 by the board pursuant to this section may take the form of an
18 advance payment. If a local government does not implement a
19 used oil collection program or chooses not to accept the payment
20 pursuant to paragraph (3) of subdivision (a) of Section 48653, the
21 board may allocate that local government's payment to another
22 local government that commits to implementing a used oil
23 collection program pursuant to Section 48691 and serving the
24 residents of the nonparticipating local government provided that
25 any program implemented within the boundaries of the
26 nonparticipating jurisdiction is approved by the nonparticipating
27 jurisdiction.

28 ~~SEC. 21.~~

29 *SEC. 22.* Section 48691 of the Public Resources Code is
30 amended to read:

31 48691. (a) A local used oil collection program shall provide
32 for used lubricating oil collection by either of the following or a
33 combination of the two:

34 (1) Ensuring that at least one certified used oil collection center
35 is available for every 100,000 residents not served by curbside
36 used oil collection, that accepts oil from the public at no charge,
37 at least 20 hours each week, on four days each week, of which
38 three hours each week are outside the weekday hours of 8 a.m.
39 through 5:30 p.m.

40 (2) Providing used oil curbside collection at least once a month.

1 (b) A local used oil collection program shall include a public
2 education program that informs the public of locally available used
3 oil recycling opportunities.

4 (c) A local government may implement its used oil collection
5 program in conjunction with other similar programs in order to
6 improve used oil recycling efficiency.

7 (d) A local government that has implemented the used oil
8 collection and education elements of subdivisions (a) and (b) may
9 also include, in the local used oil collection program one or both
10 of the following:

11 (1) Provisions for the mitigation and the collection of oil and
12 oil byproducts, including other solid waste that may be mixed with
13 oil or oil byproducts from stormwater runoff, including devices to
14 capture that stormwater runoff, such as the use of storm drain inlet
15 filter devices. A local government shall not receive a payment
16 pursuant to Section 48690 for the purposes identified pursuant to
17 this paragraph unless the local government certifies that it has a
18 stormwater management program that is approved by the
19 appropriate California regional water quality control board and
20 that the provisions in the local used oil collection program approved
21 for funding under this paragraph are consistent with that approved
22 stormwater management program.

23 (2) A used oil filter collection and recycling program.

24 ~~SEC. 22.~~

25 *SEC. 23.* No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution because
27 the only costs that may be incurred by a local agency or school
28 district will be incurred because this act creates a new crime or
29 infraction, eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section 17556 of
31 the Government Code, or changes the definition of a crime within
32 the meaning of Section 6 of Article XIII B of the California
33 Constitution.